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DEPARTMENT OF NATURAL RESOURCES
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August 25, 2017

Linda Benfield, Attorney
 Foley & Lardner
 777 East Wisconsin Ave
 Milwaukee, Wisconsin 53202

Casetrack #2017-NEEE-016
 FID # 241021220
 FID # 341158070
 Milwaukee County

Subject: Summary for August 9, 2017 Air Management Enforcement Conference / Response Requested by October 6, 2017

Dear Ms. Benfield:

The Department of Natural Resources (department) thanks you and others for representing Container Life Management, LLC (CLCM) and Greif, Inc. during an enforcement conference with the department on August 9, 2017 to discuss alleged violations of Wisconsin's air management laws. The purpose of this letter is to provide a brief summary of our discussions during the enforcement conference. At the start of the enforcement conference, CLCM provided the department with a written response to the July 19, 2017 Notice of Violation (NOV).

Two industrial locations were subject to the July 19, 2017 NOV:

- 8570 S Chicago Road, Oak Creek, Milwaukee County, Wisconsin (Chicago Rd Site) – At the Chicago Rd Site, CLCM operates a drum reconditioning facility. Used metal drums are sorted, thermally reclaimed, shot blasted, reshaped, and painted (internally and externally). The facility was issued a renewed air operation permit that took effect on June 11, 2013, Air Pollution Control Operation Permit No 241021220-P20.
- 3950 S Pennsylvania Avenue, St. Francis, Milwaukee County, Wisconsin (Pennsylvania Ave Site) – At the Pennsylvania Ave Site, CLCM operates a drum reconditioning facility. Used plastic and metal drums are sorted, washed, and rinsed. In addition to this, metal drums can be acid cleaned, and are shot blasted, and painted (exterior). Damaged containers are crushed if metal or chipped if plastic for recycling. The facility was issued an air construction permit that took effect on March 9, 2015, Air Pollution Control Construction Permit No 14-RSG-142.

On May 4, 2017, the department submitted a request for information to Foley and Lardner (Foley), on behalf of CLCM. Foley's May 12, 2017 response stated "CLCM is an indirect joint venture subsidiary of Greif, Inc." During the enforcement conference, it was stated that the NOV incorrectly listed Greif, Inc. as the majority shareholder of CLCM, through an indirect joint venture relationship. Instead, it was represented that Greif USA, LLC—based in Delaware, Ohio—is the correct corporate entity, having the majority indirect joint venture ownership of CLCM. Neither Greif nor Greif USA own or operate the Chicago Rd Site, or the Pennsylvania Ave Site. The department withdraws the allegations against Greif, Inc. as outlined in the NOV and reserves the right to allege violations against Greif USA, LLC if deemed appropriate by the department.

CLCM purchased the operating assets at the above sites from Mid-America Steel Drum Co., Inc. in November 2013. In addition to the assets, CLCM bought the right to use the “Mid-America Steel Drum” name and any variation of that name.

At the enforcement conference, the department reviewed with CLCM each of the alleged violations outlined in the NOV. CLCM’s progress on resolving those violations and returning to compliance status was also discussed. The violations and CLCM’s plan to resolve these issues in the future are described in detail below:

Chicago Rd Site:

Violation #1 – Incomplete daily spray booth inspection logs (Operation Permit 241021220-P20 / Processes P33 and P34):

During the enforcement conference, the department discussed with CLCM the requirement to maintain complete daily spray booth inspection logs. This includes the requirement to document the date and time of the inspection, the operational status of the spray booth, the placement and condition of the filter, and signature or initials of the person performing the inspection.

CLCM revised the log to include additional information as required in the operation permit. CLCM has also developed a corporate oversight task to ensure logs are complete. The department was provided a copy of the revised log during the enforcement conference. As indicated, the date should include the year. CLCM agreed to submit examples as to how the spray booth inspection log is currently being used.

Response requested - submit updated spray booth inspection logs from August 1, 2017 through present and return to compliance date.

Violation #2 – Exceed coating line PM emission limits (Operation Permit 241021220-P20 / Processes P33 and P34):

CLCM advised the department that CLCM used filters manufactured by Chemco Products (Aqua 1), with an efficiency rating of 98.38%. In a follow-up response, the department was advised that CLCM switched to using filters manufactured by Chemco Products (Duo 2020), with an efficiency rating of 98.7%. The department calculated theoretical particulate matter (PM) emissions for each coating line using the average control efficiency of the filters and average paint usage, as reported by CLCM. The results show each process to be in potential violation of the respective PM emission limitation. As requested, the department’s theoretical PM calculation for each filter is attached.

CLCM stated that new filters have been installed to meet the PM emission limit. The department requests a copy of the efficiency rating specification for these new filters, date of installation, and theoretical calculations that show the expected PM emission rate in lbs PM/hr. Provide reference documentation including maximum and average paint application rate, coating solids content, and paint control efficiency for type of coating application being used. In addition, provide written clarification that this violation has been addressed with the installation of the new filters or describe what actions are still needed to return to compliance.

Response requested - submit filter specification, date of installation, theoretical calculations, reference documentation, and written clarification that the new filters return CLCM to compliance.

Violation #3 – Fail to obtain construction permit (Section 285.60(1)(a)1., Wis. Stats and Section NR 406.03(1), Wis. Adm. Code / shot blast unit):

The department observed the shot blast units in operation during an inspection on March 2, 2017. Emissions from these shot blast units were routed to a baghouse and venting emissions to the ambient air. The department believes the baghouse is an emission control device that vents to the ambient air, triggering the requirement for an air construction permit.

During the enforcement conference, CLCM stated the baghouse is not specifically used as an emission control device, but instead as part of the operations. As such, MTE would not apply and the process is exempt from permitting. As a temporary solution, CLCM has sealed off the vent and will leave the vent sealed unless and until the department is notified otherwise. The department requests a detailed process drawing showing this system, a detailed description as to how each device within the process operates (inside and outside) (i.e. how shot is recovered from the baghouse and recycled into the processes), where is the shot blast waste stream collected from, and how is the shot blast waste stream disposed of.

Response requested - submit shot blast unit and baghouse process description, including detailed process schematics.

Pennsylvania Ave Site:

Violation #4 – Control efficiency for filters used in process P32C (Construction Permit 14-RSG-142 / Process P32C):

Based on responses from CLCM's consultant, the department determined CLCM was using filters with an average PM control efficiency of 97.0 to 98.0%. Filters in process P32C are required to have a control efficiency of at least 99%.

CLCM stated that new filters have been installed to meet the PM control efficiency of at least 99%. The department requests a copy of the efficiency rating specification for these new filters and the date they were installed. In addition, please provide written clarification that this violation has been addressed with the installation of the new filters, or describe what actions are still needed to return to compliance. CLCM has also agreed to update its Malfunction, Prevention, and Abatement Plan (MPAP) that lists the compliant filter.

Response requested - submit filter specification, date filters were installed, written clarification that the new filters return CLCM to compliance (or what other actions will be necessary to return to compliance), and an updated MPAP listing the compliant filters.

Violation #5 – Incomplete maintenance scrubber records (Construction Permit 14-RSG-14):

During the enforcement conference, the department discussed with CLCM the requirement to maintain complete scrubber maintenance records.

CLCM developed a corporate oversight task to ensure complete logs. CLCM agreed to submit examples as to how the scrubber maintenance record log is currently being used.

Response requested - submit scrubber maintenance records from August 1, 2017 through present and return to compliance date.

Violation #6 – Misrepresentation of information in permit application (Construction Permit 14-RSG-142 / Process P41 and Stack S98):

- a. The department requested that CLCM quantify the PM emissions from process P41. Visible emissions from the drying oven/flamer have been witnessed at 15 – 20% opacity. During the enforcement conference, the department agreed to provide photo documentation of the opacity concern. These photos were forwarded to Ms. Benfield on August 10, 2017. CLCM agreed to further quantify PM emissions from process P41 and attempt to identify the cause of the “blue” smoke.

Response requested – quantify PM emissions.

- b. The department requested CLCM to identify and quantify process emissions [PM, hazardous air pollutant (HAP), and volatile organic compound (VOC)] being discharge from stack S98. During the enforcement conference, CLCM stated that the EPA and the state have specifically chosen not to regulate emissions from RCRA-empty containers. Since CLCM only process RCRA-empty containers, CLCM claimed they would not be subject to air emission regulations associated with these containers. CLCM further stated the department’s request to have CLCM quantify emissions from RCRA-empty containers is not based on explicit language within the statute or administrative code. CLCM agreed to evaluate potential PM emissions, but not potential HAP or VOC emissions.

Response requested – identify and quantify PM, HAP, VOC air pollutant emissions on an actual, potential, and maximum theoretical basis (for each pollutant and individual HAP) on an hourly and annual basis.

Violation #7 – Odor complaints (Sections NR 429.03(1) and (2)(a), Wis. Adm. Code):

Over time, the department has received numerous odor complaints from residents living around the Pennsylvania Ave Site. In 2015, CLCM was asked by the department to submit an odor mitigation plan. Since the submittal of that plan, the department has documented ongoing complaints. During the enforcement conference, the department discussed these ongoing complaints, in addition to the most recent complaints from July 2017. On August 4, 2017, the department requested additional information to evaluate the potential cause of the July 2017 complaints.

To address the odor concerns, CLCM is in the process of raising the stack at the facility an additional 20 feet. CLCM expects an approval from the FAA in September 2017 with respect to raising the stack height. The department requests CLCM notify the department in advance of raising the stack. After construction is complete and within 5 days of venting through this new stack, provide a drawing showing the final as-built dimensions and final discharge height of the new stack.

Response requested- submit the requested information associated with the July 2017 complaint, notify the department (Mike Griffin) one day in advance of raising the stack, and submit as-built documentation.

Chicago Rd and Pennsylvania Ave:

Violation #8 – Fail to respond to information requests (Section NR 439.03(1)(a), Wis. Adm. Code):

The department began its investigations into air emission concerns at both facilities in February 2017. Since February, the department has made numerous requests for information. During the enforcement conference, the department provided dates in which specific questions to date have gone unanswered as outlined in the NOV. Specifically:

- a. Quantify HAP emissions from the processing / burning of material (Chicago Rd Site) - During the enforcement, CLCM stated that the EPA and state have specifically chosen not to regulate air pollution emissions from RCRA-empty containers. CLCM believes the department's request to have CLCM quantify emissions from RCRA-empty containers is not based on explicit language within the statute or administrative code.

Response requested – identify and quantify PM, HAP, VOC air pollutant emissions on an actual, potential, and maximum theoretical basis (for each pollutant and individual HAP) on an hourly and annual basis.

- b. Demonstrate the "Flo-Strip" has a VOC content less than or equal to 1.52 lb/gal (Pennsylvania Ave Site). During the enforcement conference, CLCM agreed to submit the "Flo-Strip" data or other data as detailed within the construction permit showing the actual VOC content of "Flo-Strip" in lb/gal.

Response Requested – submit "Flo-Strip" data.

- c. Document actual physical stack parameters (Pennsylvania Ave Site) - During the enforcement conference, CLCM agreed to submit before and after as-built documentation for each stack.

Response Requested – submit stack as-built documentation.

- d. Classify coatings (Pennsylvania Ave Site) - During the enforcement conference, CLCM agreed to classify the coatings as either extreme or general and justification for each coating.

Response Requested – submit coatings classification and justification.

- e. Quantify PM, VOC, and HAP process emissions from Stack S98 (Pennsylvania Ave Site) - During the enforcement, CLCM stated that the EPA and state have specifically chosen not to regulate emissions from RCRA-empty containers. CLCM believes that since they only process RCRA-empty containers, they would not be subject to air emission regulation associated with these containers. CLCM agreed to evaluate potential PM emission but not potential HAP or VOC emissions.

Response requested – identify and quantify PM, HAP, VOC air pollutant emissions on an actual, potential, and maximum theoretical basis (for each pollutant and individual HAP) on an hourly and annual basis.

- f. Quantify the PM emissions from process P41 (Pennsylvania Ave Site) - During the enforcement conference, CLCM agreed to further quantify PM emissions from process P41 and attempt to identify the cause of the "blue" smoke

Response requested – quantify PM emissions.

In addition to above, CLCM also agreed to review all permits issued by the department and applications pending before the department in order to determine whether the correct responsible officials have been listed on these documents.

Response requested - submit a summary of listed officials on all permits and permit applications.

Please provide all of the requested information by **October 6, 2017**, to my attention at the address shown in the letterhead.

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At the conclusion of the enforcement conference, the department discussed with CLCM the potential forfeitures through referral to the Department of Justice for the violations alleged in the NOV.

If you have questions regarding this letter, please contact me at (920) 360-1938.

Sincerely,



Anne Van Grinsven
Environmental Enforcement Specialist

Enc: Sign-in
Department theoretical calculations for filters (violation #2)
Response Summary

cc: Mike Griffin – Milwaukee
James Bridges – LS/8
Sarah Breneman – Chief, Air Enforcement and compliance Assurance Branch, EPA Region 5; 77 West
Jackson Blvd., AE-17J, Chicago, IL 60604-3507